ORIGINAL

MC CABE & ALLEN

THE CONNER CENTER 9105 OWENS DRIVE
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MANASSAS PARK, VIRGINIA 22111
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Thomas J. Mc Cabe Robert G. Allen Denise B. Moline Douglas W. Harold, Jr. Lloyd D. Young

Of Counsel

2000 L STREET, N.W. SUITE 200 WASHINGTON, D.C. 20036 (202) 452-7872 Telex 373-0708 FACS (202) 833-3843

Direct Correspondence to Virginia office.

RECEIVED

JUN 1 9 1991

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

June 19, 1991

Ms. Donna R. Searcy, Secretary Federal Communications Commission 1919 M Street, N.W., Room 222 Washington, D.C. 20554

Re:

MM Docket 91-10 Baldwin, Florida M&A #15111

Dear Ms. Searcy:

On behalf of Charley Cecil and Dianna Mae White, d/b/a White Broadcasting Partnership, there is transmitted herewith an original plus six (6) copies of a Reply to Opposition to Motion to Enlarge Issues in the above-referenced Docket proceeding for a new FM Station at Baldwin, Florida.

Should there be any question regarding the attached Reply to Opposition to Motion to Enlarge Issues please contact the undersigned.

Very truly yours,

Denise B. Moline

DBM:wp Attachment

RECEIVED

BEFORE THE

Federal Communications Commission

WASHINGTON, D.C.

FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

In re Applications of) MM DOCKET NO. 91-10
Charley Cecil & Dianna Mae White, d/b/a WHITE BROADCASTING PARTNERSHIP) FILE NO. BPH-891214MM))
et al.))
For Construction Permit for a new FM Station, Channel 289A Baldwin, Florida)))
To: Honorable Edward Luton)

REPLY TO OPPOSITION TO MOTION TO ENLARGE ISSUES

Administrative Law Judge

Charley Cecil & Dianna Mae White, d/b/a WHITE BROADCASTING PARTNERSHIP ("White") by Counsel, and pursuant to §1.229 of the Commission's Rules, hereby respectfully submits its Reply to the Opposition to Motion to Enlarge Issues filed by Peaches Broadcasting Ltd., ("Peaches") and requests that the Presiding Judge add the requested issues.

1. On June 6, 1991, Peaches filed its Opposition to White's Motion to Enlarge Issues. Peaches has asserted as bases for denial of the requested issues, that its failure to timely publish notice of the HDO is due to the newspaper's clerical error regarding its accounts, and that its failure to keep the required items in its Public Inspection File were "inadvertent" omissions. Its assertions are supported by Declarations of Anna Matthews and Frederick Matthews, and other materials, as

well as by its Supplement, filed June 11, 1991.

2. The Declarations and other materials supplied by Peaches raise more questions than they resolve. At the outset, it should be noted that Peaches has still not completed its Public Notice pursuant to the Commission's Rules, which requires Public Notices to be run twice a week for two consecutive weeks. More importantly, Peaches' accounts of events regarding its Public Notice, and its maintenance and correction of its Public Inspection File do not correspond to the statements of Ms. Molly Strain of the Florida Times-Union, the person responsible for handling Peaches' account, or Ms. Anita Davis, the clerk at the Baldwin City Hall responsible for oversight of the parties's Public Inspection Files.

Public Notice in the Florida Times-Union

3. Ms. Strain's Statement¹ makes it clear that the Matthews first approached the <u>Florida Times-Union</u> regarding publication of the HDO on March 4, 1991, only a few days after Peaches filed its Notice of Appearance in this proceeding. The fact that Peaches apparently ran its prior Public Notice in the <u>Florida Times-Union</u> in January of 1990,² and the fact that they approached this newspaper <u>before</u> placing an ad in the <u>Financial News and Daily Record</u> demonstrates that the Matthews already knew of the Commission's requirements regarding Public Notices. Ms. Matthews, on the other hand, stated that she learned

¹Attachment 1, Statement Regarding Publication, from Ms. Molly Strain, <u>Florida Times-Union</u>, to Denise B. Moline, Esq.

²See Exhibit 4 to Peaches Opposition.

of the Commission's requirements only after placing the advertising in the <u>Financial</u>

News and <u>Daily Record</u>. The Matthews' actions throw doubt on this statement.

Peaches' excuse lacks plausibility, and cannot be credited.

- 4. Ms. Matthews' statement regarding the chronology of events regarding the public notice also gives rise to significant doubt as to Peaches' intention to complete public notice of the HDO. Ms. Matthews would have the Commission believe that she had placed a request for all the ads in mid-April, in connection with the clearing of Peaches' past-due balance. However, Ms. Strain's statement clearly indicates that by mid-April, the Matthews had cleared the past-due balance on their accounts, but had pre-paid for only a single public notice, which ran on April 15th. Ms. Matthews claims to have requested the ads from Ms. Strain, and to have spoken with Ms. Strain within two weeks of April 15, 1991. However, Ms. Strain notes that Ms. Matthews claims to have attempted to place further ads with the newspaper; however, Ms. Strain, who had previously handled the accounts, had not been so advised, and did not speak to the Matthews again before the end of May, after the filing of White's Motion to Enlarge issues. The communications claimed by Ms. Matthews are contradicted by Ms. Strain's recollection of events, and Ms. Matthews' statement regarding the reason for the delay in publication between mid-April and June is apparently a complete fabrication.
- 5. Ms. Matthews attributes the delay in the public notices after April 15th to a clerical error in the newspaper's accounting. However, in reality, the delay had nothing to do with this error, which has been acknowledged by Ms. Strain. Ms.

Strain states that the Matthews were apprised in early March, when they first approached the newspaper, that no new ads would be accepted by the newspaper unless pre-payment for the ads was received. The simple truth is that the Matthews could not place any notices which were not pre-paid, and that they did not attempt to pre-pay for any further notices until June 4, 1991.

- 6. The Matthews pre-paid for the remaining three public notices on June 4, 1991, and on June 10, 1991. Ms. Matthews' declaration in connection to the Opposition that the additional public notices would run on June 5, 7, and 10 is a misleading assurance, since on June 4, only the June 5th and June 7th advertisements had been pre-paid. Ms. Matthews could not have known the date of the last notice on June 4, 1991, the date she signed the Declaration. In fact, the final notice did not run until June 11, 1991.
- 7. The actual publication dates, April 15, June 5, June 7, and June 11, 1991 are completely inconsistent with Peaches' representation to the Commission in its Partial Proof of Publication on April 23, 1991 that public notice would be completed by May 3, 1991. Peaches had not then placed any request for subsequent advertising with Ms. Strain, and made no attempt to pre-pay for any further advertising until June 4, 1991.³

³It should be noted that undersigned Counsel's conversation with staff personnel at the newspaper was correct in all essentials. Furthermore, the representations made to undersigned Counsel regarding any attempts to place subsequent public notices support Ms. Strain's version of events.

- 8. The above discrepancies throw serious doubt on the bona fides of Peaches' intention to accomplish publication of its public notice of the HDO in this proceeding in timely fashion, pursuant to the Commission's regulations and pursuant to their own representations. Peaches first attempted to avoid payment of the past-due balance with the Florida Times-Union through publication in a different journal. When advised this would not do, Peaches then attempted to complete publication by payment for only a single additional ad in the Times-Union. Since the Matthews knew that no further ads would be accepted without pre-payment to the newspaper, they knew that further attempts to place ads would be futile. In fact, no further public notices were accepted without pre-payment by the newspaper. Ms. Matthews' statement that Peaches attempted to run the prescribed notices on time and in good faith simply cannot be believed.
- 9. The above-facts amount to more than mere confusion or inadvertence. Peaches clearly tried to avoid the expenditures associated with complete and correct public notice of this proceeding. The fact that they were forced to comply with Commission rules in response to a Motion to Enlarge does not excuse the existing violation. Peaches' actions bespeak a willingness to circumvent the Commission's rules, and raises doubts regarding Peaches' <u>basic</u> qualifications to be a Commission licensee. The requested public notice issue should be added against Peaches, and a full inquiry into Peaches' efforts to comply with the Commission's public notice rules is warranted.

Public Inspection File Violations

- 10. Peaches next argues that its failure to place all of the required materials into its Public Inspection File should be excused. Peaches asserts that Mr. Matthews has been diligent in maintaining and updating Peaches' public file, and that he believed that "The Public and Broadcasting" was out of print and unavailable.
- at the Baldwin City Hall, and has periodically inserted material into the existing file. In fact, as set forth in the materials attached to the Declaration of Ms. Davis, Peaches' public file materials were apparently sent to the City Hall by mail. With respect to the one envelope received by hand, Ms. Davis asserts that this envelope was delivered by a Caucasian male, in late May, 1991. In view of the fact that Mr. Matthews may never have visited Peaches' Public File prior to June 7, 1991, it is difficult to imagine how Mr. Matthews can assert that he set up the Public File, or diligently supervised its contents. If in fact he had never visited Peaches' public file, or had mailed materials to the file on two occasions only, he could not have placed Peaches' amendments in the file promptly after they are filed with the Commission.
- 12. Mr. Matthews also asserts in Peaches' Supplement to Opposition, filed on June 11, 1991, that a copy of the February 1, 1991 amendment was found in Peaches' file on June 7, 1991 by Peaches' counsel, during an inspection visit by Mr.

⁴See Attachment 2.

⁵Mr. Matthews is black.

and Mrs. Matthews and Peaches' Counsel, Mr. Honig. In fact, the materials attached to Ms. Davis' declaration indicates that the February 1, 1991 amendment was hand-delivered at the end of May, after White's Motion to Enlarge issues was filed at the FCC, by an unknown Caucasian male.⁶

- 13. The receipt of the February 1, 1991 amendment by Ms. Davis at the end of May contradicts Mr. Matthews' statement that he placed Peaches' amendments in the file promptly after they are filed with the Commission. Moreover, it contradicts the assumption made by Peaches in its Supplement that the item had been in the Peaches public file "all along."
- 14. Mr. Matthews asserts that he understood "The Public and Broadcasting" to be out of print and not available. However, he provides no reason for this belief, and his prior broadcast experience, especially his position as General Manager at WSVE (FM), would suggest that he should have been familiar with this requirement. A simple telephone call to the Commission's Consumer Assistance Branch, as noted by Counsel for Peaches, would have been sufficient to set matters straight. In fact, the manual has been continually available at no cost, merely for the asking. If Mr. Matthews was, in fact, ignorant of the Commission's public file requirement for the manual, or was ignorant of whether the manual was available, his ignorance is nevertheless no excuse.

⁶Ms. Davis initialed the copies of all materials contained in the hand-delivered envelope. Among the materials contained in that envelope, and initialed by Ms. Davis, is a copy of the February 1, 1991 amendment. However, the copy supplied by Peaches with its Supplement bears no initial by Ms. Davis.

- 15. Finally, Peaches asserts that it has inserted or reinserted into the file the items which White noted were missing. Peaches' Opposition asserts that the errors in Peaches' file "were corrected promptly after being brought to Peaches' attention." However, it is plain from an inspection conducted by Charley Cecil White on June 13, 1991, and from the materials attached to Ms. Davis certification, that, notwithstanding Peaches' assurances, Peaches' file still does not contain the requisite Publisher's Affidavit or other proof of publication of Peaches' Public Notice of filing of its application, as required under \$73.3580 of the Commission's rules, and still contains a copy of the extraneous Sacramento pleading, which should have been removed from that public inspection file.
- 16. Peaches' public inspection file is still incorrect, despite its representations to the contrary to the Commission. Moreover, Peaches asserts that the omission of the missing items is of no import because the most important items were in Peaches' public file as required. Peaches' cavalier approach denigrates the Commission's rules, as well as the importance of each and every required item. Unless a Publisher's Affidavit regarding the Public Notice of the filing of an applicant's application is contained in its public file, there is no effective method for the Commission or a competitor to determine whether an applicant has complied with §73.3580 of the Commission's rules. A copy of this Affidavit is not required

⁷Peaches' Opposition, at p. 8.

⁸Attachment 3.

⁹Attachment 2.

to be filed with the FCC and is not a document which is of public record; instead, the Commission relies upon the applicant's certification that it will effect publication pursuant to §73.3580.

17. The missing February 1, 1991 amendment contained essential information regarding the complete transfer of Peaches' limited partnership interest from Stephan Weissman to United Communications, and regarding the structure of the limited partner, which now owns 75% of Peaches' equity. The transfer involved a substantial change in the applicant's equity, and was not an amendment of little import. Basic and timely information regarding such an important change in the applicant's makeup is of significant import, and is vital to the investigatory efforts of competing applicants in this proceeding, if they are to bear the primary responsibility for ferreting out basic weaknesses in the structure of their fellows applicants for comparative hearing purposes. In Revision of FCC Form 301, 4 FCC Rcd 3853, 3856 (1989), the Commission determined that additional ownership information required in the current FCC Form 301 would permit the Commission and competing applicants to identify the real parties-in-interest in each applicant. The Commission stated: "Since the Commission does not have resources sufficient to permit it to examine the bona fides of every application submitted, we are compelled to rely on competitors to detect and expose sham applications." Id.

Conclusion

18. It is clear that serious questions exist regarding the <u>bona fides</u> of Peaches' intention to accomplish public notice of the hearing designation order, and

regarding its diligence, or lack thereof in maintaining its public inspection file.

Peaches is correct in stating that quibbling over errors is not what broadcast

licensing is all about. But determining which applicant will likely be the most

reliable, with respect to future compliance with Commission rules is a vital part of

the comparative licensing process. Inquiry into an applicant's basic qualifications

is warranted where it is apparent that that applicant cannot comply with even the

most ministerial of Commission regulations. While Peaches' claims to perfection (or

disclaimers thereto) are not in issue, its basic ability to comply with the most basic

of Commission regulations is. The requested issues are warranted, and should be

added.

WHEREFORE, the foregoing considered, White respectfully requests that

the Presiding Judge GRANT its Motion to Enlarge Issues and ENLARGE the

issues in this proceeding to include those requested in its original Motion.

Respectfully submitted,

Charley Cecil & Dianna Mae White

d/b/a

WHITE BROADCASTING PARTNERSHIP

 $\mathbf{R}_{\mathbf{V}}$

Denise B. Moline

Its Attorney

McCabe & Allen 9105B Owens Drive P.O. Box 2126 Manassas Park, VA 22111

(703) 361-2278

June 19, 1991

10

MM Docket No. 90-10 WHITE BROADCASTING PARTNERSHIP

BALDWIN, FLORIDA REPLY TO OPPOSITION

ATTACHMENT 1

The Florida Cimes-Union

ONE RIVERSIDE AVENUE + P.O. BOX 1949 + JACKSONVILLE, FLORIDA 32231 + (904) 359-4111

June 13th, 1991

McCabe & Allen P. O. Box 2126 Manassas Park, VA 22111

Attn: Denise Moline

RE: STATEMENT REGARDING PUBLICATION

Dear Ms. Moline,

The following is a clear explanation of the Fred and Anna Matthews Legal Notice situation. On March 4th a fax was sent to me to publish a public notice on March 6th and 7th, 1991 (See attached copy). The cost of these ads would be \$198.56. However, when the ads were entered into the computer it was discovered that the Matthews had owed monies from another account (\$166.32 to be exact). This other account was under the name of Peaches Production. I had set up a current account under the name of Fred Matthews not knowing the Peaches account existed. I contacted the Matthews and notified them of the balance due on the Peaches account and informed them that any new ads would have to be pre-paid. The Matthews then requested to put the ad on hold because of this balance.

I then heard from the Matthews in early April. Anna came in and paid the January balance and for the public notice that ran Monday, April 15th. When the payment was applied it went to one account and the charge went to the other (I was unaware that this occurred). Anna claims to have called to try to place the other three ads in April but was told she couldn't because they were on ad stop (meaning they owed money on an account). However, she did not contact me to place these ads, or to resolve the ad-stop problem although I had been handling the account from the very onset. Anna then called me on May 28th and told me of this. I then wrote an adjustment to transfer the funds to clear the account of any balance. On June 4th, Mr. Matthews came in and pre-paid for the June 5th and 7th ads. Mr.



Matthews then came in on June 10 to prepay for the June 11 ad.

They are to come in Friday, June 14th to pick up the affidavits (proofs of publication) from the four run dates: April 15, June 5, 7 and 11th, 1991.

The above is true and correct to the best of my knowledge, information, and belief. I hope this helps clear matters up regarding this situation. If you have any other questions, please do not hesitate to contact me directly at (904) 359-4170.

Thank you,

Molly A. Strain

Molle, a. Strain

Legal Advertising Representative

Enclosures

68 ma (46 (2days) \$198 B ad to Run Man 6+7 TAX MESSASERIO FOM: Anna Mattatus, Porches Broders Try, LTD. To: Molly STRAIN, Legal
Fla. Times - Union Dete: 4 Marca 7/ Run April : 11th Subject: Public Notice MESSAGE: Print Notice on Both Wednesday, Merch 6th and Thursday, March 7th. PLEASE FAX AFFIONUIT TO: FRON MATTHEWS AT 766-1332 MAIL INVOICE TO: P.O. BOX 12563 JAKIR 32209 4484 weber Phone No: 766-1211

630-216/
Fred Matthewse 39-4175 from (\$160.3290)
300,90

PUBLIC NOTICE

The Pederal Communications Commission has designated for hearing the following applications for a construction permit to operate a new FM radio station on FM Channel 289A in Baldwin, Florida: White Broadcasting Partnership; Peaches Broadcasting, Ltd.; Sage Broadcasting Corporation of Jupiter, Plorida; Pirst Coast Broadcasting Company; Douglas Johnson; Northeast Florida Broadcasting Corp; and JEM Productions, Limited Partnership c/o Joyce Morgan.

The hearing is scheduled to occur at a time and place to be determined. The issues to be determined in the hearing are:

- (1) To determine whether there is a reasonable possibility that the tower height and location proposed by White, Peaches, Sage, Coast, Johnson and Northeast would constitute a hazard to air navigation.
- (2) To determine which of the proposals would, on a comparative basis, best serve the public interest.
- (3) To determine, in light of the evidence adduced pursuant to the specified issues, which of the applications should be granted, if any.

A copy of the application of Peaches Broadcasting, Ltd., together with amendments thereto and related material, is on file for public inspection at the public library in Baldwin, Florida.

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CLASSIFIED ADVERTISING VOLUNTARY CASH TICKEL Billing Part of Part Billing Phone Name Community Phone Number Date Received Sales Person Advantage Class Amount Accepted Sales Person Accepted Total Amount Due Of Col Paid Check Cash Amount Paid Check MC/Vises Date REF # AUTHORIZATION

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MM Docket No. 90-10 WHITE BROADCASTING PARTNERSHIP

BALDWIN, FLORIDA REPLY TO OPPOSITION

ATTACHMENT 2

TOWN OF BALDWIN



June 13, 1991

Telephones: 266-4221

266-9211

To Whom it May Concern: on June 13, 1991, I made copies of everything in Peaches file except the original application. I've placed my initials on those items contained in a package delivered to me by a caucasian male to be placed in the Peaches File. This papers were delivered to me in late May, 1991.

Thank you,

Anita J. Davis, Clerk

BALDWIN CITY HALL ATTN: LULA M. HILL

10 U.S. 90 WEST

BALDWIN, FLORIDA 32234

in in the package

AN 87

PEACHES Broadcastan 1272)
P.O. Box 12565
Jacksonville, Florida 32209 Blewin 1500 of 32234 Molan Hill Confuelic File

Before the FEDERAL COMMUNICATIONS COMMISSION

Washington, D.C. 20554

In re Applications of) MM Docket No. 91-10
)
WHITE BROADCASTING PARTNERSHIP) File No. BPH-891214M
et al.)

For Construction Permit for a New FM Station Station on Channel 289A in Baldwin, Florida

To: Hon. Edward Luton, Administrative Law Judge

PETITION FOR LEAVE TO AMEND AND AMENDMENT

Peaches Broadcasting, Ltd., by counsel, hereby petitions to amend its application to report that Frederick Matthews, the President of the applicant's General Partner, resigned March 12 as General Manager of radio station WSVE-AM.

This amendment is submitted for \$1.65 purposes to keep the application current. Accordingly, the attached Amendment should be accepted and this Petition granted. See Erwin O'Conner Broadcasting Co., 22 FCC2d 140, 143 (Rev. Bd. 1970).

Respectfully submitted.

David Honig

1800 N.W. 187th Street

Miami, Florida 33056

(305) 628-3600

Counsel for Peaches Broadcasting, Ltd.

March 20, 1991

Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

In re Applications	of)	MM Docket No. 91-10
WHITE BROADCASTING	PARTNERSHIP)))	File No. BPH-891214MM

For Construction Permit for a New FM Station Station on Channel 289A in Baldwin, Florida

To: Hon. Edward Luton, Administrative Law Judge

AMENDMENT

The application of Peaches Broadcasting, Ltd. is hereby amended to report that Peaches Broadcasting, Ltd., by counsel, hereby petitions to amend its application to report that Frederick Matthews, the President of the applicant's General Partner, resigned March 12 as General Manager of radio station WSVE-AM.

I declare under penalty of perjury that the information stated above is true to the best of my knowledge.

Executed 16 Mon 19/.

Frederick Matthews

CERTIFICATE OF SERVICE

I, David Honig, this ____ day of March, 1991, hereby certify that I have placed in U.S. First Class Mail, postage prepaid, a copy of the foregoing "Petition for Leave to Amend and Amendment" addressed to the following:

Hon. Edward Luton
Administrative Law Judge
Federal Communications
Commission
2000 L Street N.W.
Washington, D.C. 20554

Charles Dziedzic, Esq. FCC Hearing Branch 2025 M Street N.W. #7212 Washington, D.C. 20554

Denise B. Moline, Esq. McCabe & Allen 9105 Owens Dr. Manassas Park, VA 22111 Counsel for White

Arthur V. Belendiuk, Esq. Smithwick & Belendiuk 2033 M Street N.W. Washington, D.C. 20036 Counsel for Johnson

James L. Winston, Esq. Rubin Winston & Diercks 1730 M St. N.W. #412 Washington, D.C. 20036 Counsel for Northeast Salvador Serrano, Esq. P.O. Box 7371 McLean, VA 22106 Counsel for JEM

David Honig